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CHARTER

OF THE

BANK OF KENTUCKY.

Approved February 22d, 1834.

LOUISVILLE, KY.
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1837.

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CHARTER.

SEC. 1. *Be it enacted by the General Assembly of the Commonwealth of Kentucky,* That there shall be, and is hereby established, a Bank, by the name of the **BANK OF KENTUCKY**, with a capital stock of five millions of dollars, divided into shares of one hundred dollars each, to be subscribed and paid for by this Commonwealth, individuals, companies, and corporations, in the manner hereinafter specified; which subscribers and shareholders, their successors and assigns, shall be, and they are hereby created a body politic and corporate, by the name and style of the President, Directors and Company, of the Bank of Kentucky; and shall so continue a body politic and corporate, until the first day of October, one thousand eight hundred and sixty-four, and the charter, by that name, under the restrictions hereinafter prescribed, shall be competent to contract and be contracted with, to sue and be sued, plead and be impleaded, answer and be answered, defend and be defended in all courts and places, and in matters as natural persons, with full power and authority to acquire, hold, possess, use, occupy, and enjoy, and to sell, convey, and dispose of, all such real estate, goods, effects, and chattels as shall be convenient for the transaction of its business, or which may be conveyed to said Bank as surety for any debt, or which may be received in discharge of any debt, or purchased in satisfaction of any judgment or decree in favor of the Bank, or in the purchase of any property on which said Bank may have a lien; and said Bank may have and use a common seal, and change, alter, and renew the same at pleasure; and it may ordain and put in execution such by-laws, rules and regulations, for the good government of said Bank, and the prudent and efficient management of its affairs, as may be thought most proper—provided they be not contrary to the constitution and laws of this State, or of the United States.

SEC. 2. That said Bank shall have and keep its principal office of Discount and Deposite in the City of Louisville; and it may not have more than six offices of Discount and Deposite in other parts of this State. Its business shall be to loan money, discount promissory notes and bills, and deal in exchange, and

357.00

Its business.

Negotiable
notes put on the
footing of for-
eign bills of ex-
change.

In what to deal.

Notes, how
signed.

it may issue bills or bank notes payable to bearer on demand at any of its offices of Discount and Deposite, but not of less denomination than five dollars; and it shall not issue any notes, bills, checks, or orders, payable to bearer, other than such as are made payable on demand. The promissory notes made payable to any person or persons, and payable and negotiable at the Bank of Kentucky or any of its branches, and endorsed to and discounted at said Bank, shall be, and they are hereby put on the same footing as foreign bills of exchange; and remedy may be had jointly or severally against the drawers and endorsers, and with like effect, except as to damages, and except that in a regular course of administration, they shall have no other or greater dignity or priority of payment than other notes; and the Bank shall not, directly or indirectly, deal or trade in any thing except loaning money and exchange, and in gold or silver bullion, or in the sale of goods, chattels, rights, and credits really and truly pledged for money lent and not redeemed in time, or goods which shall be the proceeds of its lands.

SEC. 3. That the bank or promissory notes to be issued by said Bank shall be signed by the President of the principal Bank, and countersigned by the Cashier thereof—and said Bank shall be restrained from issuing checks or orders payable at any of its offices or elsewhere, to any person or order, or to any person or bearer, with the intent that said checks or orders shall circulate as Bank notes.

Debts of the
Bank not to ex-
ceed twice the
amount of its
capital stock.

SEC. 4. That said Bank shall not at any time owe, whether by bond, bill, note, or other contract, an amount exceeding twice the amount of the capital stock actually paid in, exclusive of sums due on deposits; and in cases of excess, the President and Directors, under whose administration it shall have taken place, shall be liable for all or any of the debts of said Bank, in their individual capacities, by a joint or several action of debt against them, or any of them, their heirs, executors or administrators, in any court having jurisdiction thereof, by any creditor or creditors of said Bank: and shall be prosecuted to judgment and execution, any conditions or agreement to the contrary notwithstanding: *Provided*, That if the President or any of the Directors may be absent when the excess may be contracted or created, or being present, shall dissent from the act by which the excess is about to be contracted or created, he or they shall not be liable under this section, if he or they shall, within ten days from the creation of such excess, or discovery thereof, make affidavit of their absence or dissent, and file the same for record with the recording officer of the city or county; and shall moreover, within ten days, give notice thereof in one or more of the public newspapers printed in this State, and transmit a copy thereof to the Governor of this Commonwealth for the time being, and shall in said notice, call a meeting of the shareholders, which they are hereby authorized to do.

SEC. 5. The said Bank shall not, at any time, suspend, fail, or refuse payment in gold or silver, of any of its notes, bills, or other obligations, due or payable, or any moneys on deposit; and in case the officers, in the usual banking hours, at the office the charter to of Discount and Deposite, where the same shall be payable, shall be forfeited. Upon a failure to redeem its notes in specie, refuse or unreasonably delay payment in gold or silver of the amount of any note there demandable and presented for payment, or the payment of any money previously deposited at such office, and then due and demandable by any person or persons entitled to receive payment of the same, said bank shall be liable to pay damages at the rate of twelve per cent. per annum on the amount thereof, from the time of such failure, refusal, or delay, until payment thereof; and for such failure or refusal, or for any violation of this charter, the same shall be forfeited, and a *scire facias* shall be sued out in the name of the Commonwealth by the Attorney General, and such proceedings be had as to declare such forfeiture by the judgment of a Court; and from and after the judgment of forfeiture, said corporation shall cease to exercise any of the powers and privileges hereby granted: *Provided*, said forfeiture shall not be construed to prevent said bank from suing and being sued, and continuing its operations for the purpose of closing its concerns; nor from making any contracts that may be convenient and proper for that purpose.

SEC. 6. That the real and personal estate, business, property, funds, and prudential concerns of said Bank, and the administration of its affairs shall be under the direction, management and control of eleven Directors, eight of whom shall represent the private stockholders, and three the Commonwealth of Kentucky, chosen as hereinafter directed; they shall be stockholders; and after the first election, shall have been stockholders at least three months previous to their election; they shall be residents of this State and citizens of the United States; and after the first election, they shall be elected annually on the first Monday in May. Each Director shall be the owner and holder of twenty-five shares of the stock in his own right; they shall hold their offices for one year, and until their successors shall be chosen; at least three of them shall go out of office annually. The Directors representing the private stockholders shall be chosen by the shareholders, who shall meet at the annual elections in the City of Louisville, at such time and place as the directory for the time being shall direct—and notice of the time and place of holding the annual elections shall be published in at least two public authorized newspapers printed in Louisville, thirty days next preceding the election—the election shall be by plurality of votes, to be counted and read in public after all the votes are taken—the elections shall be conducted under the direction of three shareholders, acting under ^{ed,} How conduct-
tions of—

Who shall be eligible as a director.

body. No person who is a director or officer of another bank, shall be eligible as a director in this bank; and any director becoming a director or officer of another bank, or while under protest in this bank, for the non-payment of debt, shall be held to have vacated the office of director in this bank—nor shall two partners in trade be eligible as directors in this bank, at one and the same time; and if the President, Cashier, or any Directors shall fail or become insolvent after his election or appointment, he shall become incapable to serve as an officer in this bank, and shall be held to have vacated his place—nor shall he be appointed to serve in this bank until all his debts are paid, or until he obtains a full discharge from the same—nor shall any one who has ever failed in business be eligible to the office of President, Cashier, or Director in this bank until all his debts are paid, or until he is fully discharged from the same. If, from any cause, an election should not take place on the day fixed by this charter, the corporation for that cause shall not be dissolved, but the stockholders may hold an election on any other day the by-laws shall direct.

Number of votes on the stock.

Sec. 7. That at all meetings of the stockholders, and at all elections under this charter, each and every stockholder,

whether individuals, companies or corporations, shall be entitled to one vote for each share held in their own right, up to fifty shares; and for every five shares over fifty and up to one hundred, one vote—and for every twenty shares over one hundred, one vote. After the first election no share shall entitle the holder to a vote, unless the same has been held by the person claiming to vote on the same, at least three months prior to that time, and so appear on the books of the Bank. Any stockholder entitled to vote, may do so in person or by proxy, such proxy being granted to a stockholder who is not the President or a Director, the Clerk, Cashier, or Teller of the bank; and any stockholder, who is not a citizen of the United States, shall not be entitled to vote on his stock.

May be voted by proxy.

Directors to elect a president,

Sec. 8. That the Directors chosen for the principal Bank under the provisions of this charter, shall, as soon as may be, after the first and every annual or other election of Directors, elect a President from their own body, who shall preside at the board until the next election; and in case of the death, absence, or resignation, or vacation, of the office of President, the residue of the Directors shall choose a President *pro tempore*; they shall

Fill vacancies in their own body, elect officers, &c.

fill all vacancies which may occur in their own body during the time for which they were chosen, and elect a Cashier, Clerks, agents and servants of the principal Bank; fix their compensation, define their powers, and prescribe their duties, and shall require of them such bonds and in such penalties as they may deem right; which bonds shall be laid monthly before the Directory, and an entry thereof made on record; and the directory may, from time to time, require such additional bonds and sureties, with such pen-

alties and conditions as in their opinion will secure the bank from loss or damage; and all such officers shall hold their places during the pleasure of the President and Directors.

SEC. 9. The President and Directors of the principal bank, (any six of whom shall form a quorum for the transaction of business,) may, from time to time, make such by-laws, rules and regulations for their own government, and for the management and disposition of the property, estate, funds, and business of the bank, and all matters appertaining thereto, which they may deem expedient, not contrary to the provisions of this charter, or the by-laws, rules and regulations which the stockholders, at their annual or other meetings, may, from time to time, prescribe: *Provided, however,* That a concurrence of a majority of all the Directors shall be necessary in the adoption of any of the by-laws of the institution.

President and
Directors may
make by-laws.

SEC. 10. The President and Directors shall hold stated meetings at least once a week, on such days and such hour of the day as they may, from time to time, appoint, and at such other time as they may agree on; and they shall attend called meetings at any time the President shall so direct; and all questions before the board shall be decided *viva voce*, and on the request of any two members, the yeas and nays on any proposition submitted, shall be entered or recorded on the journal of their proceedings; and no vote shall be reconsidered when a less number are present than when the vote was given.

Hold stated
meetings.

Questions to
be decided viva
voce.

SEC. 11. The President and Directors of the principal Bank shall have power and authority, and it shall be their duty, to establish not less than four, nor more than six branches; and they shall establish and continue one branch at some suitable place south of Green River, and one branch at some suitable place between Green and the Kentucky Rivers; and two branches at some suitable places on the North of the Kentucky River, as soon as the sale of the stock will justify their doing so; and a branch to be located and continued at the seat of Government, unless the Legislature shall otherwise direct, to aid in the management of the fiscal affairs of the State, and the sixth branch at such time and place as the President and Directors may designate: *Provided, however,* That should the Directors fail to establish the fifth and sixth branches hereby authorized to be established, that the Legislature hereby reserves the right to direct the establishment of these branches, and to locate the sixth branch. The amount of capital which shall be employed at the principal Bank and at the several branches, shall be under the control of the President and Directors of the principal Bank, so as to employ the same most advantageously to the stockholders and the community; and the right of the President and Directors of the principal bank to change the location of a branch which shall have been mismanaged, or shall have proved unproductive, shall be unquestionable: *Provided,* There shall not be

Branches to
be established.

Proviso.

employed more than two-fifths of the capital stock actually paid in as banking capital, in the city of Louisville, unless authorized by the Legislature, and the bonds or scrip paid in by the Com-
Louisville and monwealth, shall not, under this provision, be considered as in the branches capital paid in, until sold, and the cash received by the Bank; and it shall be lawful to employ the first five hundred thousand dollars paid in by individuals, companies and corporations, as banking capital in the city of Louisville; and it shall then be the duty of the President and Directors of the principal bank, to employ the residue of the capital stock as paid in, to the estab-
lishment of branches, until three-fifths of all the capital stock paid in shall be employed in the branches, and thereafter three-
fifths of what shall be paid in shall be employed in the branches, and the residue may be employed in the principal Bank; and they shall establish the branch at the seat of Government first, and the others in such order of time as they shall deem expe-
dient.

SEC. 12. The President and Directors of the principal Bank Directors and shall have power and authority to appoint a Cashier and nine
Cashiers of the branches to be Directors for each of the branches, taking care to appoint qualified
appointed. stockholders as Directors, each having not less than five shares, and not less than three of the Directors of each branch shall go out of office annually. They shall also prescribe such rules and regulations for the government of the branches, as they may deem right, and shall have power to enforce the same.

SEC. 13. The Directors of each of the branches shall choose President, Clerk, &c. of one of their own body as President, and appoint a Clerk and such
the branches. other officers as the President and Directors of the principal Bank shall direct; and not less than a majority of them shall form a quorum for the transaction of business.

SEC. 14. That no dividend of the profits of said Bank shall be declared until there shall be a surplus of twenty thousand dollars for each million of dollars of the capital stock of the bank actual-
ly paid in, and the surplus or contingent fund so raised, shall never be reduced below that ratio, on all stock paid for; and it shall be the duty of the President and Directors to the principal Bank, on the first Monday in January and July of each year, to declare a dividend of the profits over and above the contingent fund aforesaid, among the stockholders, payable to them on demand; of which dividend, and the time and place of payment, notice shall be given. And if, at any time, said President and Directors shall declare a dividend lessening the capital stock, or lessening the contingent fund aforesaid, or by any mismanage-
ment or neglect of duty, shall cause any loss or deficiency of, or in the capital stock of said Bank, the Directors consenting thereto, or guilty of such mismanagement or neglect of duty, shall be jointly or severally liable to the stockholders or any creditor of said Bank, who may be injured thereby—and the

President and each Director shall be deemed guilty of such mismanagement or neglect, or to have consented to such dividend, unless he forthwith give notice of his dissent thereto, or his absence from the institution, in like manner as provided in the fourth section of this charter, and call a meeting of the stockholders as herein provided.

SEC. 15. That it shall be the duty of the Cashier of the principal Bank on the first day of July, 1836, and on the first day of ^{Tax or bonus.} July in each succeeding year, during the continuance of this charter, to pay to the Treasurer of this Commonwealth twenty-five cents on each one hundred dollars of stock held and paid for in said Bank, which shall be in full of all tax or bonus: *Provided*, That the Legislature may increase or diminish the same; but at no time shall the tax exceed fifty cents on each one hundred dollars of stock paid for in said Bank.

SEC. 16. That the Board of Directors for the principal Bank shall allow to the President thereof, and to the Presidents of ^{The Presidents' compensation.} the branches, such reasonable compensation for their services as they may, from time to time, deem just; but no compensation shall be allowed to any Director of the principal Bank, or any of the branches, unless the same be voted by the stockholders, at some regular meeting.

SEC. 17. That it shall be the duty of the President and Directors of the principal Bank, and they are hereby required, as often as once in every month, to cause a strict examination to be made of the accounts of the Cashier, and a full and complete statement to be made and entered on the journal of the proceedings of the board; and they shall cause the President and Directors of the several branches to make a like monthly examination and statement of the account of the Cashiers to be made and entered on the journals of their proceedings.

SEC. 18. That it shall not be lawful for the Cashier, Clerk, Teller, or other subordinate officer of the principal Bank or any of the branches, either directly or indirectly, to engage in or carry on any other business than that of said Bank, without the especial license of the President and Directors of the principal Bank; nor shall any of them, either directly or indirectly, become indebted to said Bank, either as borrower, endorser, surety, or otherwise; and it shall not be lawful for the President or any of the Directors of said Bank or branches, to become bound as surety or accommodation endorser, on any note or bill discounted at said Bank; and a violation of any of the provisions of this section shall subject the person violating the same to a penalty of five thousand dollars, to be recovered in the name of the corporation, and for the use of the Bank, by action of debt.

SEC. 19. That if the Cashier, Clerk, Teller, agent or other officer of the principal Bank or any of the branches, shall, without the authority of the President and Directors of the Bank or branch, as the case may be, appropriate any of the funds of said

Officers of

the Bank who use its funds or

CHARTER OF THE

corporation to his own use, or to that of any other person, or shall make false entries wilfully fail to make correct entries, or shall knowingly make entries, guilty of false entries on the books of the Bank, with intent to cheat or felony. defraud the corporation or any person, or to hide or conceal any improper appropriation of the funds of the corporation, the officer so offending shall be deemed guilty of felony, and shall, upon conviction thereof, be sentenced to confinement in the jail and penitentiary of this State, for a period not less than five, nor more than twenty years.

SEC. 20. That the President and Directors of the principal Bank shall keep a record or journal of all their proceedings, their proceedings which they shall produce to the stockholders when by them desired to be kept in the Bank and branches. inspection and examination of the Governor of this Commonwealth, or any person duly authorized by him, or to any committee appointed by the Legislature; and the President and Directors of the principal Bank shall cause the President and Directors of the branches, to keep a record or journal of all their proceedings, which they shall produce to the President and Directors of the principal Bank at all times, or to any person or persons authorized by them to inspect the same, and which shall be open to the inspection of the Governor of this Commonwealth, or any person duly authorized by him, and to the stockholders at any general meeting, or to any committee appointed by the Legislature.

SEC. 21. That the President and Directors of the principal Bank shall cause their Cashier to make, quarterly, on the first day of January, April, July and October, a complete memorandum in alphabetical order, of all the debts due said Bank, setting out the amount due by each individual, with the names of the endorsers, and a note of the other security, the date of the notes or bills, and when payable—and they shall cause the Cashiers of the branches to make a like complete memorandum, in alphabetical order, of all the debts due at the several branches, by each individual, with the names of the endorsers and other security, and the date of the notes and bills, and when payable; one copy of which shall be retained at the branch, another copy shall be transmitted to the principal Bank—and these memorandums shall at all times be open to the examination of the President and Directors of the principal Bank and Branches.

SEC. 22. That it shall be the duty of the President and Directors of the principal Bank, during the first week of the session of the Legislature in each year, to transmit to the Secretary of State an accurate and just statement of the condition of the principal Bank and branches, as it existed on the first day of the preceding month; which statement shall specify the amount of capital stock actually paid in, and the amount not paid in, and the value of the real estate belonging to the Bank, and its cost; the total amount of debts due to and from the bank; the amount

Memorandum of debts, &c. to be made quarterly.

Annual reports to be made to the Secretary of State and laid before the Legislature.

of gold and silver, and other coined metals and bullion on hand; the amount deposited, the amount of bills in circulation, and the amount of bills on hand of other incorporated Banks, and the amount of notes in circulation of each denomination, issued by the Bank, the rate and amount of each dividend of profits made by the Bank, with the amount of surplus profits or the contingent fund; which statement the Governor of the Commonwealth shall cause to be laid before the Legislature of Kentucky, and the same shall be published in a newspaper printed at the seat of Government, and in one printed in Louisville, at the expense of the Bank; and they shall, when required by the Legislature, report all bad and doubtful debts.

SEC. 23. That the Presidents, Directors, Cashiers, Clerks, Tellers, and other officers of the principal Bank and branches, ^{All the officers} previous to entering on the discharge of their duties, shall take ^{to take an oath.} an oath before some justice of the peace of this State, faithfully, honestly, and to the best of their skill and judgment, to discharge all the duties of their respective offices and stations under this charter, or which may be required of them by the by-laws, rules, and regulations of the corporation; and that they will not, during their continuance in office, sanction or permit any of the provisions of this charter to be violated; and should any such violation take place without their concurrence, that they will immediately communicate the same to the Attorney of the Commonwealth for the circuit in which the violation shall take place, and to the Attorney General of this Commonwealth.

SEC. 24. The said Bank shall not contract for or receive a greater rate of interest than at the rate of six per centum per annum for the loan or forbearance of money; and the interest on promissory notes, negotiable and payable at said Bank, and Bank there discounted, shall be calculated on the true time such notes have to run, including three days grace, and shall be paid in advance, on Bank principles, and in conformity with Rowlet's Tables of Discount and Interest.

SEC. 25. That said Bank shall not make any loan of money, or discount any note or bill, on the pledge of the stock of said Bank, in any case whatsoever; and no stockholder shall be allowed to pay any debt he may owe the Bank by the surrender of the stock of the Bank, until all the notes of the Bank shall have been redeemed, and all the debts of the Bank paid; and stockholders who shall become indebted to the Bank, shall be compelled to pay their debts in all respects as other persons dealing with the Bank; nor shall any stockholder be allowed to make payment of the shares of stock held by him, by means of a loan or loans obtained from said Bank.

SEC. 26. That the President and Directors shall issue certificates of stock to the holders thereof, whenever they shall be paid for; and the shares of the capital stock of said Bank shall

Rate of interest to be received by the Bank.

No loan to be made on a pledge of stock, nor debts paid by a surrender of stock.

Certificates of

be considered and held in law as personal property, and assignable and transferable only in such manner and at such place or places as the President and Directors of the principal Bank shall, by their by-laws, prescribe.

SEC. 27. The certificates of deposite, bank bills or notes, Bank notes, bills of exchange or orders issued by said Bank, and signed by &c. obligatory, the President and countersigned by the Cashier, promising or though not under seal—and requesting the payment of money to any person or persons, and how transferable to order or to bearer, as the case may be, shall be obligatory on said Bank, although not under its seal; and such of said notes or bills as shall be payable to order, shall be transferable by assignment, and those made payable to bearer, by delivery.

SEC. 28. That the real estate purchased by said Bank, under judgments or decrees in its favor, or under judgments or decrees to be sold in five years. Real estate to be sold in five of others, when it shall be necessary to purchase the estate in order to secure the payment of some debt due the Bank, and the real estate taken in payment of some debt due the Bank, shall be sold by the Bank within five years next after the estate shall have been fully acquired, and the possession taken or recovered; and on their failure to sell the estate within five years, the same shall be vested in the Commonwealth, without office found.

SEC. 29. That the general meeting of the stockholders shall be held annually on the first Monday in May in each year, in the city of Louisville, at the time of the annual elections; to

which meeting the President and Directors of the principal Bank shall present an accurate statement of the condition and affairs of the Bank; and general meetings of the stockholders may be called as provided in the charter, or by the President and Directors of the principal Bank, when they esteem it desirable, or by any number of stockholders the by-laws of the corporation shall require.

SEC. 30. The Legislature shall have the right to investigate the situation and affairs of the Bank, by any committee they may appoint for that purpose, from time to time.

SEC. 31. The general court shall have jurisdiction to try the forfeiture of this charter, for violations of any of the provisions of the charter, of the same; the proceedings shall be by *scire facias*, alleging and specifying the acts of forfeiture relied on; and shall only be sued out at the instance of the Attorney General, when directed to do so by order of the Legislature.

SEC. 32. That John I. Jacobs, Edward T. Bainbridge, W. H. Pope, George Keats, W. C. Fellowes, William Bell, Leven Shrieve, George Buchanan, John D. Colmesnil, Henry Forsthe, and James Stewart, of Louisville; and John W. Hunt, Benjamin Gratz, Thomas E. Boswell, Richard Higgins and Elijah W. Craig, of Lexington, shall be, and they are hereby constituted and appointed commissioners to open books and receive subscriptions for the capital stock of said Bank, and to superintend the

election of the first Board of Directors; and any three of them shall be competent to exercise the powers and perform the duties required by this section.

SEC. 33. The said commissioners shall have power, and they are authorized and required, on the second Monday of April, 1834, or at such other time within twelve months thereafter, as they shall deem expedient, having first given not less than thirty days notice thereof, in some of the newspapers printed in Louisville and Lexington, to open books for the subscription of the capital stock of said Bank, at Louisville and Lexington, and at such other places within the State as they may deem advisable; and cause said books to be kept open from 10 o'clock in the morning until 2 o'clock in the evening, for at least twenty days, and until at least ten thousand shares shall have been subscribed, when the same may be closed; and if more than thirty thousand shares shall have been subscribed by individuals, companies and corporations, the said commissioners shall deduct the excess from the largest subscriptions, in such manner, that no subscription shall be reduced, and leave the subscription of any other larger; and said commissioners may, if they deem it advisable, cause books to be opened for the subscription of any part of the stock they may direct, in any of the principal cities of the United States, on the same days that subscription books may be opened in this State.

SEC. 34. That if the whole thirty thousand shares of capital stock shall not be taken when the books of subscription shall first be opened by the commissioners, the President and Directors shall cause the books to be re-opened annually, on the first Monday in May, or at such other time in the year as they may direct; and cause them to be kept open not less than twenty days, or until the whole balance shall be taken; and the President and Directors may require such premium on the stock sold at the re-opening of the books, as they shall deem right, which premium shall be the property of the Bank: *Provided*, it shall be the duty of the President and Directors of said Bank, if the whole stock shall not be sold before the organization of the principal Bank, to cause books to be opened at some suitable place or places, in that section of the State where they shall be about to establish a branch, and allow to the subscribers of stock at those places, the like terms as though they had been original subscribers.

SEC. 35. That when not less than ten thousand shares of the capital stock shall have been taken, and the commissioners shall have closed the books, it shall be their duty to give notice in some public newspapers printed at each of the places where the books may have been opened and stock subscribed, and appoint a day and place in the city of Louisville, for the election of the first Board of Directors for said Bank, who shall hold their offices until the succeeding annual election; and not less than thirty

Powers and duties of the commissioners.

Books shall be re-opened annually till the stock is taken.

Proviso.

First election of President and Directors.

nor more than sixty days notice shall be given of the time and place of electing the said Board of Directors; and some three of the commissioners shall act as inspectors of the election, and shall take the proper oaths, and perform all the duties of inspectors of elections in like cases.

SEC. 36. That payment of the shares of the capital stock held by individuals, companies and corporations, shall be made in gold and silver, and at the times and in the manner following, to wit: five dollars on each share to the commissioners, at the time of subscribing, and five dollars on each share within ten days after the election of the first Board of Directors, and twenty dollars on each share within sixty days thereafter, and the residue shall be paid in instalments of ten dollars on each share every ninety days thereafter, until the whole is paid.

SEC. 37. That should any of the subscribers to the capital stock of said Bank fail or refuse to pay for their stock as herein provided, the President and Directors, first giving public notice in

Stock may at least two public authorized newspapers printed in this State, be forfeited for for the space of thirty days, by a resolution entered on their records, may forfeit such stock, and proceed, at such time as they non-payment of may deem expedient, to re-sell the same; and all partial payments instalments thereon. made on any stock which shall be forfeited, shall be held for the benefit of the Bank.

SEC. 38. That the Governor of this Commonwealth shall be, and he is hereby authorized and requested, within ten days after the commissioners shall notify him that ten thousand shares part of the state of the capital stock of said Bank has been subscribed by individuals, companies, and corporations, to subscribe for, and on account of this Commonwealth, twenty thousand shares of the capital stock of said Bank; and he is further authorized and requested, when the third instalment shall have been paid by individuals, companies, and corporations, on the request of the President and Directors of said Bank, to pay for five thousand shares thereof, by executing to said President and Directors, the bonds or scrip of this Commonwealth, for five hundred thousand dollars, in such amounts as they may require; bearing on the face an interest of five per cent. per annum, payable by this Commonwealth, on the first Mondays of January and July, in each year, at the principal Bank, and redeemable at the pleasure of this Commonwealth, at any time within five years after the expiration of this charter; and when one million of dollars shall have been paid into said Bank, by individuals, companies, and corporations, the Governor of this Commonwealth is further authorized and requested, on the application of the said President and Directors, to pay for five thousand additional shares of said stock, by executing the like bonds or scrip of this Commonwealth, for five hundred thousand dollars, bearing like interest; which bonds or scrip shall be received by said President and Directors, as payment in full, for ten thousand

shares of said capital stock; and it shall be lawful for the President and Directors of said Bank to sell and transfer said bonds or scrip, and by endorsement thereon, to agree and bind the Bank to pay the interest either annually or semi-annually, to whoever may be the holder of the same, without any demand being made upon the State for the interest thereof, at any place or places within the United States; and said bonds or scrip shall be transferable at such place or places, and in such manner as the President and Directors of said Bank shall prescribe by their by-laws; but the same shall at no time be sold, transferred, or otherwise disposed of by the President, Directors, and Company of the Bank of Kentucky, for a less sum than the nominal amount of any such bond or scrip, with the interest which may be due thereon, nor until the whole sum for which the same may be sold, has been actually paid; and it shall be the duty of the President and Directors of said Bank, out of the amount which will be due the Commonwealth on the stock, to redeem the aforesaid bonds or scrip without charge, and pay over the residue to the State. The Governor of this Commonwealth for the time being, shall annually nominate, and with the advice and consent of the Senate, appoint three Directors on the part of the Commonwealth in this institution, who shall hold their office until their successors may be duly appointed and qualified; and if any Director thus appointed shall vacate his office by death, removal from the State, resignation, or otherwise, the Governor is hereby empowered to fill the vacancy. And should said Bank go into operation during the recess of the Senate, the Governor shall, as in other cases, make a *pro tempore* appointment.

SEC. 39. That the said Bank shall annually reserve, out of the dividends on the stock of this Commonwealth, the five per cent. interest per annum on the said one million of bonds or scrip, and the residue of the dividends on the stock of this Commonwealth shall be carried to the payment of the remaining ten thousand shares of the stock, belonging to the Commonwealth, from time to time, as the dividends shall be declared, and paying in full for so many shares as the dividends, from time to time, will pay for, until the payment of the whole ten thousand shares is fully made; but the Commonwealth of Kentucky shall have the right, from time to time, to devote any other resources she may have to the payment of said stock.

SEC. 40. That so soon as three hundred thousand dollars of the capital stock shall have been paid in by individuals, companies, or corporations, in gold or silver, the President and Directors shall cause the Governor of this Commonwealth to be notified thereof, who is hereby authorized to appoint some suitable person to count the money so paid in as capital stock, and to take the oath of the President and not less than six of the Directors, that the same has been paid in as capital stock *bona fide*, and make due return thereof to him; and on such appearing to be the fact, the

Directors on
the part of the
State to be ap-
pointed.

Dividends of
the State regu-
lated.

When the
Bank is to com-
mence business

Governor is authorized to issue his proclamation, that the amount hereby required to be paid in, and in the funds hereby required, has been done, and that said Bank is authorized to commence its operations as a banking institution; and from and after the first publication of such proclamation, it shall be lawful for said Bank to commence business.

SEC. 41. That no one individual, company, or corporation, shall be allowed to take or hold more than two thousand shares of the capital stock of said bank, either in their own names, or in the name of others in trust for them; and all stock that any individual, company, or corporation shall take or hold, contrary to this provision, shall be forfeited to the Bank for the benefit of the

No stock to be held by individuals limited.
Amount of stock to be held by individuals limited.
No stock to be held by bona fide owners thereof.
Amount of stock to be held by bona fide owners thereof.

other stockholders; and no individual, company, or corporation, voted except shall be allowed, in person or by proxy, to vote at the first election of Directors, on any stock which may stand in his, her, or their name, without first making oath that the stock *bona fide* belongs to them, and is not held in trust for others.

SEC. 42. *Be it further enacted*, That the bills or notes of the said corporation, originally made payable to bearer, shall be receivable in all payments to the State, and on account of County levies, unless otherwise directed by law.

BY-LAWS AND RULES

OF

THE BANK OF KENTUCKY.

ART. 1. The Bank shall be open for ordinary business from 10 o'clock in the morning till 2 o'clock in the afternoon, every day in the year, except Sundays, Christmas day, the 4th of July, and such other days as may be ordered by the Board of Directors.

Bank hours.

ART. 2. The Bank shall take charge, free of expense, of the cash of all such persons as may choose to place it there, (except where the account is ordered to be closed,) and shall keep it, subject to the order of the depositor, payable at sight: and shall also receive special deposites of ingots of gold, bars of silver, wraught plate, and other valuable articles of small bulk, for safe keeping, at the risk of the depositor.

Deposites.

ART. 3. All bills and notes offered for discount shall be delivered into the Bank on Saturdays and Wednesdays, in each week, during banking hours, and shall be laid before the Directors on Monday and Thursday, at 8 o'clock in the morning, from the first of April to the first of October, and at 9 o'clock from the first of October to the first of April, together with a statement of the situation and funds of the Bank, the credit books, of notes and bills discounted, and all such other books as the Board may require, on which days the discount shall be settled, and such as shall be admitted shall pass to the credit of the applicants, as of the same day on which they are discounted, and those notes or bills not discounted shall be returned at any time after twelve o'clock on the same day.

When notes
and bills are to
be offered for
discount.

ART. 4. The rate of discount shall not exceed one half of one per centum for thirty days, and the discounts shall, ordina-

Interest.

Endorsers. rily be made upon personal security, with at least two responsible names—the firm of a house being considered as one name only; but in special cases they may be made on such other security as shall be accepted and approved as sufficient by the Board of Directors, or by the President and such committee as shall be invested by the Board with the power of making discounts.

Other security. In cases of mistake or accident, or urgent necessity, when the Board or a committee cannot be in session to act, a note may be renewed or discounted, according to the sound discretion and judgment of the President, and reported at the next meeting of the Board.

At the meetings of the Board, no bill or note shall be discounted or renewed if opposed by one-fourth of the Directors present, and no committee shall be invested with the power of making discounts when the appointment shall be opposed by one-fourth of the Directors present. No

Officers not to be drawers. Officers not to be drawers than the Cashier, or a Clerk, or a Porter in the Bank shall appear or endorsers. as drawer or endorser.

ART. 5. Every discounted note or bill that shall remain unpaid on shutting of the Bank on the last day of grace, (or if bills, if unpaid, the last day of grace should be on Sunday, or on a day when when and how the Bank shall not be open for ordinary business, then on the protested.

second day of grace,) shall forthwith be delivered to the Notary for protest, whose duty it shall be to give proper notice thereof forthwith to the endorser or endorsers, and to protest the said note or bill, and to make a record or memorandum of the time, manner or circumstances of doing the same, and make report to the President or Cashier, who shall cause the same to be noted in a book to be kept in the Bank for that purpose; and while such note or bill remains unpaid, no discount or accommodation shall be granted to any drawer, endorser, or acceptor of the

Proceedings on bills and notes left for collection. Bills and notes deposited for collection, at any time before the commencement of the days of grace, shall be proceeded with as bills and notes discounted, unless the person depositing the same shall otherwise direct in writing: *Provided*, That

in case of non-payment and protest the person lodging the same shall pay the charges of protest. Bills and notes may be received for collection after the commencement of the days of grace, in cases where the President or Cashier shall so direct:

When the Bank will not protest. but in such cases the Bank will not give notice, make demand, or be bound to cause the protest to be made, but the bill or note, or the money received for it, as the case may be, shall remain subject to the order of the depositor, in the same manner as other deposits. Bills and notes to be sent to other Banks for collection, shall be at the risk of the depositor, who shall be subject to all charges and expenses respecting the same.

ART. 6. On every discount day the name of every person who shall have overdrawn, or attempted to overdraw, on the to be reported. Bank, since the last discount day, shall be reported to the Board;

and no person, while he remains an overdrawer, shall have any bill or note discounted; and in no instance will the Bank give a release or discharge to any debtor, where the debt arises from overdraft; and any clerk who shall knowingly suffer an overdraft to be made on the Bank, or who, after having discovered an overdraft to have been made, and shall not immediately communicate the same to the President and Cashier, shall be dismissed from the service of the Bank; and all deficiencies in cash of the Bank shall be chargeable to the person with whom they occur.

Overdrawers to have no discounts.

Clerks to make known over-drafts.

Deficiencies in cash.

ART. 7. Every person who opens an account and transacts business with the Bank, shall subscribe his name in a book to be called the Book of Signatures, to be kept in the Bank for that purpose; and the President or Cashier may also require, at his discretion, from any house or firm doing business with the Bank, and consisting of more than one person, a declaration of the names and surnames, and places of residence, of the persons who compose such firm; and that each person belonging to such firm, if residing in Louisville, shall subscribe in the book of signatures, and insert therein the names of his partner or partners. And the President and Cashier shall be authorized to close such accounts as they may deem necessary for the safety and convenience of the Bank, and shall report their proceedings and reasons therefor to the board at the next meeting, which shall be subject to the decision of the board.

Book of signatures.

Signatures of members of the firm.

How accounts may be closed.

ART. 8. The Bank shall receive all specie coin according to the rates and value established by Congress; and no gold, silver, or copper coin, other than such as is, or shall be, authorized by the laws of the United States, shall be receivable as money at the Bank. And all payments made at the Bank shall be examined at the time, and if any error be then found, it shall be immediately corrected; but no error suggested afterwards shall be admitted, unless such error shall be apparent from the cash settlement of the day.

Legal coins only to be received.

Errors.

ART. 9. The books and accounts of the Bank shall be kept in dollars and cents, and shall be regularly balanced on the first Monday in July and January—on which days, respectively, the half yearly dividend shall be declared, and published in two of the newspapers of the city of Louisville. For twenty days immediately preceding the day appointed for declaring the half yearly dividend, the books of transfer shall be shut. The accounts of the Bank with other institutions shall be adjusted, and balances confirmed, as often as once in every three months; and each book-keeper shall constantly keep every account in his leger, so pencilled up as to exhibit the balance of each at the first inspection.

Books, when to be balanced.

Dividend declared.

Books of transfer to be shut.

Accounts with other banks to be balanced.

ART. 10. In all cases, when required, the Cashier shall accept powers of attorney for receiving any dividend or interest due, or to become due, on any shares in this Bank, which divi-

Cashier to accept powers of attorney.

dend or interest shall be held by the Bank, subject to the order of the proprietor, free from charge. The President and Directors

Quarterly lists of debts due required of Cashiers. shall cause the Cashier to make quarterly, on the first day of January, April, July, and October, a complete memorandum, in alphabetical order, of all the debts due the Bank, setting out the amount due by each individual, with the names of the endorsers, and a note of the other security, the date of the notes or bills, and when payable. And they shall cause the Cashiers of the branches to make a like complete memorandum of all

List of debts due branches required. the debts due at the several branches, by each individual, with the names of the endorsers and other security, and the dates of the notes and bills, and when payable; one copy of which shall

be retained at the branch, another copy shall be transmitted to the principal Bank; and these memorandums shall, at all times, be open to the examination of the President and Directors of the principal Bank and branches. And it shall be the duty of the President and Directors of the Bank to transmit to the Secretary

Report to the Legislature. of State, during the first week of the session of the Legislature, in each year, an accurate and just statement of the condition of

the principal Bank and branches, as it existed on the first day of the preceding month; which statement shall specify the amount of capital stock actually paid in, and the amount not paid in; and the value of the real estate belonging to the Bank, and its cost; the total amount of debts due to and from the Bank; the amount of gold and silver, and other coined metals, and bullion on hand; the amount deposited; the amount of bills in circulation, and the amount of bills on hand of other incorporated banks, and the amount of notes in circulation of each denomination issued by the Bank; the rate and amount of each dividend of profits made by the Bank, with the amount of surplus profits or the contingent fund; and shall, when required by the Legislature, report all bad and doubtful debts. It shall be the duty of the President and Directors of this Bank, as often as once in

Monthly examination of accounts of Cashiers. every month, to cause a strict examination to be made of the accounts of the Cashier, and a full and complete statement to be made and entered on the journal of the proceedings of the

board; and they shall cause the President and Directors of the several branches to make a like monthly examination and statement of the accounts of the Cashiers to be made and entered on the journal of their proceedings.

How new certificate of stock affidavit or affirmation of the fact, and state the circumstances may be obtained. ART. 11. If any person claims a certificate of Bank stock to be issued in lieu of one lost or destroyed, he shall make an affidavit or affirmation of the fact, and state the circumstances of the loss or destruction, and he shall advertise in one or more

of the papers in Louisville twice a week, for the space of six months, an account of the loss or destruction, describing the certificate and calling on all persons to show cause why a new certificate shall not be issued by the Bank in lieu of the one lost or destroyed, and he shall transmit to the Bank his

affidavit or affirmation, with the advertisements before mentioned, and he shall give to the Bank a bond of indemnity with one or more sureties, if so required, in the sum of one hundred and fifty dollars on each share to be renewed, against any damage that may arise from issuing the new certificate; whereupon the Cashier shall, two months after the last advertisement as aforesaid, issue a new certificate of the same tenor with the one alleged to be lost or destroyed, and therein specifying that it is in lieu thereof.

ART. 12. The stock of this Bank shall be assignable and transferable at the Bank in Louisville, and in other places where the Bank shall appoint agents for this purpose, personally by the stockholder, or by his attorney, upon the surrender of the certificate thereof.

Where stock
may be trans-
ferred.

ART. 13. In places where the Bank shall appoint an agent for this purpose, an assignment or transfer endorsed upon the certificate, signed by the principal or his attorney, and attested by the agent, shall be of the same effect as if the stockholder or his attorney had personally executed and delivered the same at the Bank of Kentucky.

Stock how
transferred.

ART. 14. Powers of attorney to transfer stock, or to receive dividends, shall be authenticated by a Notary Public under his notarial seal, or by the attestation of two witnesses and proof by one of them, or by the attestation of one witness, and an acknowledgement by the principal, before a justice of the peace, and by him certified under his seal; but the power of dispensing with these modes of attestation in certain cases is reserved to the President and Directors.

Powers of at-
torney how to
be attested.

ART. 15. Without the special authority of the board, no Director except the President, shall be permitted to inspect the running or cash account of any person with the Bank; and no Director is permitted to divulge any of the confidential measures of the Bank, provided they are not in opposition to the charter; and as the interest of the Bank requires the free and unreserved interchange of opinion of the Directors, more particularly in the operation of discounts, no member is permitted to reveal the opinion or vote given on any matters relating thereto.

President only
to examine run-
ning or cash ac-
counts.

Proceedings
confidential.

ART. 16. The regular annual meeting of the stockholders shall be on the first Monday in May, at the Banking house in the city of Louisville, at 10 o'clock, A. M., and immediately after its adjournment, the election of Directors shall be held, and continue open until 3 o'clock in the afternoon, or until such subsequent hour as shall be deemed expedient by the judges of the election.

Annual meet-
ing of stock-
holders.

Election of
Directors.

ART. 17. In every election to an office (except that of President) by the board, there shall be a nomination of the candidate at a previous meeting. In the election for a President, a Cashier or any Clerk, a majority of the votes of all the Directors present shall be necessary in order to render it valid. In

Election of
officers, how to
be conducted.

the election for Cashier or any Clerk, the ballots shall be first taken for all the candidates, and if upon examination, no one shall have a majority of the votes of all the Directors present, then the three candidates having the highest number shall be voted for again, and in case no one shall then appear to be duly elected, the ballots shall be taken on the two highest.

ART. 18. Before entering upon the duties of office, the Officers to give bonds. Cashier and each Clerk in the Bank, shall give bond with two or more sureties, to be approved by the Board of Directors, for his good behaviour and the faithful discharge of his duties, and trust reposed in him, in the following sums, that is to say: The Cashier in the sum of fifty thousand dollars; the paying Teller in the sum of twenty-five thousand dollars; the receiving Teller in the sum of twenty thousand dollars; each of the other Clerks in the sum of five thousand dollars; and the Porters in the sum of two thousand dollars each. The President, Directors, Cashiers, Clerks, Tellers, and other officers of the principal Bank and branches, previous to entering on the discharge of their duties,

Form of oath to be taken. shall take an oath before some justice of the peace of this State, faithfully, honestly and to the best of their skill and judgment, to discharge all the duties of their respective offices and stations under this charter, or which may be required of them by the by-laws, rules and regulations of the corporation; and that they will not, during their continuance in office, sanction or permit any of the provisions of this charter to be violated; and should any such violation take place, without their concurrence, that they will immediately communicate the same to the Attorney General of this Commonwealth.

ART. 19. The President shall retain and exercise all the rights and privileges which belong to any Director. He shall be, *ex officio*, a member of every committee, except in special

Powers and duties of the President. cases, where it shall be ordered otherwise by the Board. He shall preside and keep order at all meetings of the Board. It

shall be his duty to take into his custody at the Bank, the plates, paper, moulds and bank paper, and the seal of the corporation; to superintend and direct the printing of all bills or notes ordered by the Directory to be printed, and to keep a regular account of the bank paper in his custody, and the quantity ordered from time to time for impression, which account shall be checked by examinations of the committee on the state of the Bank. It shall also be his duty to exercise a supervision over all the concerns of the corporation—to superintend the official conduct and duties of all persons employed in the Bank—to sign bills and notes which shall be issued by the Bank—to cause the seal to be affixed to all such instruments and documents as the Directors shall order—and to call special meetings of the Directors whenever, in his opinion, such meeting may be required by the interest of the Bank; and it shall be his duty to call a meeting when requested by two members to do so.

ART. 20. It shall be the duty of the Cashier to countersign at the Bank, all bills and notes to be signed by the President, or by order of the Board—to superintend the opening and keeping of the ledgers, and all the other books used in the Bank, and also, the books for the registry of the issues and transfers, and for the payment of dividends—carefully to observe the conduct of all officers employed under him, and to report to the President or to the Board, such instances of neglect, absence, incapacity or bad conduct, as shall come to his knowledge, in any of them—daily to examine the settlement of the cash account of the Bank—to take charge of the cash, and whenever the actual amount disagrees with the balance of the cash account, report the same to the President and Directors without delay—to attend all meetings of the Board, keep a fair and regular record of its proceedings—give such information to the Board as may be required—consult with committees, when requested, on subjects referred by the Board; and also, to perform such other services as may be required of him by the Board or the President.

Duties of the Cashier.

ART. 21. All officers or persons in the employ of the Bank are chosen or appointed by the Board of Directors, and hold their offices and employments during the pleasure of the Board; their salaries are fixed by resolution of the Board. The Cashier shall lay before every Board of Directors, on their entering into office, a list of the officers and persons employed in the Bank, with their salaries, the names of their securities, and the amount for which they are bound. It shall be the duty of the Board of Directors to take order on said list of officers, as to their fitness and other qualities, and the sufficiency of their securities.

How officers are appointed; tenure of office; salaries; list of officers to be made by Cashier.

ART. 22. Every Clerk or person in the employ of the Bank shall give his attendance and labor in the Bank as long as his service may be required by his regular business, or by the Cashier, the President, or the Board; and all cases of neglect or refusal shall be reported to the Board. Any application for leave of absence, by a Clerk or person in the employ of the Bank, shall be made to the President and Cashier, who shall grant or refuse the same as they may deem expedient. And neither the Cashier, nor a Clerk, nor a Porter, shall carry on any other business than that of the Bank, nor engage in any employment which can withdraw his attention from his duties in the Bank; and no Clerk or Porter shall have an account in the Bank, but may receive his salary from the Cashier at the end of each month.

Attendance of officers.

Leave of absence.

Officers not to engage in other business.

Deliberate Proceedings of the Board of Directors.

ART. 23. The Directors shall assemble at the Bank on every Monday and every Thursday morning, at 8 o'clock, from the first of April to the first of October, and at 9 o'clock, from the first of October to the first of April, for the purpose of discount,

Meetings of the Board.

Exception. and doing any other business, unless those days or either of them shall fall on any of the days excepted in the first article.

Order of proceedings.

ART. 24. When the President takes the chair, the members shall take their seats, and give their attention to the business before the Board. The Cashier shall lay before the Board the state of the Bank, including balances with the city Banks respectively, the amount of the income, and of the notes and bills offered for discount, and the overdrafts, or attempts to overdraw, since the last discount day—as also, the correspondence of the Bank. All notes or bills offered for discount shall then be considered by the Board, and decided on. The minutes of the preceding meeting shall then be read, if any member shall so require, but no debate shall be admitted, nor question taken, on the business of such preceding meeting, except as to errors or inaccuracies in the minutes.

Rules of order. ART. 25. The President shall be the judge of order, and his decision shall be immediately submitted to, unless two members require an appeal to the Board, in which case the Board shall either sustain or over-rule the decision of the President. If a transgressing member is called to order by the President, he shall immediately take his seat, and shall not proceed, unless it may be to explain himself, or to apologise, or to appeal to the Board. The President shall name all committees, unless in spe-

President to appoint committees. cial cases, when the Board shall otherwise determine.

Rules.

ART. 26. Every member presenting a paper to the Chair shall first state its general purport, and the Board shall decide whether or not it shall be received. Every member who shall make a motion or offer a resolution or speak on any subject under discussion shall rise and address the President; but no debate shall be entered into on any motion or resolution until it shall have been seconded and stated or read from the chair. All motions shall, if requested by the President, or by two members, be reduced to writing; and all resolutions and reports from Committees shall be made in writing, if required. No member shall speak more than twice upon any one question, without leave from the Board.

Previous question.

Adjournment.

ART. 27. While a resolution is under consideration no motion shall be made, except to amend, divide, commit, or postpone it. But it shall be in order at any time, on the call of three members, to take the previous question, which shall be, “shall the main question be now put?” and if it shall be decided in the affirmative, the debate shall cease, and the main question be immediately put, and decided. A motion to adjourn shall always be in order, but shall be decided without debate.

Division of questions.

ART. 28. A member may call for the division of a question, or resolution, where the sense will admit of it, but no amendment which tends to destroy the general sense of the clause of a resolution shall be admitted.

ART. 29. If business of different kinds shall be called for at

the same time, by different members, the Board will judge and give preference accordingly.

ART. 30. After a motion or resolution has been made, seconded, stated, or read by the President and admitted for consideration by the Board, it shall not be withdrawn by the mover without the consent of the Board, and the names of the members who propose and second a resolution or motion shall be entered on the minutes. The yeas and nays shall be taken on any question if called for by two members previous to the decision on such question; but no motion for reconsideration shall be permitted, unless made and seconded by members who voted with the majority on the original question.

ART. 31. All resolutions entered in the minute book without the yeas and nays, being specially voted, shall be considered as passed by the unanimous vote of all the Directors present at said meeting; nor shall any member at any future period be permitted to plead that he did not give his assent to the same.

ART. 32. It shall be the duty of any Director, interested in any important question before the Board, to withdraw while the same is under discussion, and until it shall be decided upon.

ART. 33. No rule of the Board shall at any time be dispensed with, unless in doing it three-fourths of the members concur; and no alteration or repeal of any of the preceding by-laws or rules be made, unless upon a motion made for that purpose, and referred to the consideration of a subsequent meeting, and finally adopted by a majority of the whole number of Directors.

ART. 34. No vote shall be reconsidered by a less number than were present when the vote was given.

ART. 35. Exchange Committee to consist of the President and Cashier, and any two of the Directors. An appeal may be had from their decision to the Board at their regular meetings; *Provided*, any Director shall at all times be considered a member of the Exchange Committee.

BY-LAWS AND RULES

OF

THE BRANCHES

OF

THE BANK OF KENTUCKY.

ART. 1. The Bank shall be open for ordinary business from 10 o'clock in the morning till 2 o'clock in the afternoon, every day in the year, except Sundays, Christmas day, the 4th of July, and such other days as may be ordered by the Board of Directors.

Bank hours.

ART. 2. The Bank shall take charge, free of expense, of the cash of all such persons as may choose to place it there, (except where the account is ordered to be closed,) and shall keep it, subject to the order of the depositor, payable at sight: and shall also receive special deposites of ingots of gold, bars of silver, wraught plate, and other valuable articles of small bulk, for safe keeping, at the risk of the depositor.

Deposites.

ART. 3. All bills and notes offered for discount shall be delivered into Bank during banking hours, on the day previous to the discount day, and shall be laid before the Directors before the regular banking hours on the discount day, together with a statement of the situation and funds of the Bank, the credit books, of notes and bills discounted, and all such other books as the Board may require, when the discount shall be settled, and such as shall be admitted shall pass to the credit of the applicants, as of the same day on which they are discounted, and those notes or bills not discounted shall be returned at any time after twelve o'clock on the same day.

When notes
and bills are to
be offered for
discount.

Interest. ART. 4. The rate of discount shall not exceed one half of one per centum for thirty days, and the discounts shall, ordinarily be made upon personal security, with at least two responsible names—the firm of a house being considered as one name only; but in special cases they may be made on such other security as shall be accepted and approved as sufficient by the Board of Directors, or by the President and such committee as shall be invested by the Board with the power of making discounts. In cases also of mistake or accident, or urgent necessity, when the Board or a committee cannot be in session to act, a note may be renewed or discounted, according to the sound discretion and judgment of the President, and reported at the next meeting of the Board. At the meetings of the Board, no bill or note shall be discounted or renewed if opposed by one-fourth of the Directors present, and no committee shall be invested with the power of making discounts when the appointment shall be opposed by one-fourth of the Directors present. No loan of money shall be granted on paper where the name of either the Cashier, or a Clerk, or a Porter in the Bank shall appear or endorsers. as drawer or endorser.

Officers not to be drawers than the Cashier, or a Clerk, or a Porter in the Bank shall appear or endorsers.

Notes and bills, if unpaid, the last day of grace should be on Sunday, or on a day when when and how the Bank shall not be open for ordinary business, then on the protested. second day of grace,) shall forthwith be delivered to the Notary for protest, whose duty it shall be to give proper notice thereof forthwith to the endorser or endorsers, and to protest the said note or bill, and to make a record or memorandum of the time, manner or circumstances of doing the same, and make report to the President or Cashier, who shall cause the same to be noted in a book to be kept in the Bank for that purpose; and while such note or bill remains unpaid, no discount or accommodation shall be granted to any drawer, endorser, or acceptor of the same. Bills and notes deposited for collection, at any time before the commencement of the days of grace, shall be proceeded with as bills and notes discounted, unless the person depositing the same shall otherwise direct in writing: *Provided*, That in case of non-payment and protest the person lodging the same shall pay the charges of protest. Bills and notes may be received for collection after the commencement of the days of grace, in cases where the President or Cashier shall so direct: but in such cases the Bank will not give notice, make demand, or be bound to cause protest to be made, but the bill or note, or the money received for it, as the case may be, shall remain subject to the order of the depositor, in the same manner as other deposits. Bills and notes to be sent to other Banks for collection, shall be at the risk of the depositor, who shall be subject to all charges and expenses respecting the same.

Risk. ART. 6. On every discount day the name of every person

who shall have overdrawn, or attempted to overdraw, on the Bank, since the last discount day, shall be reported to the Board; and no person, while he remains an overdrawer, shall have any bill or note discounted; and in no instance will the Bank give a release or discharge to any debtor, where the debt arises from an overdraft; and any clerk who shall knowingly suffer an overdraft to be made on the Bank, or who, after having discovered an overdraft to have been made, and shall not immediately communicate the same to the President and Cashier, shall be dismissed from the service of the Bank; and all deficiencies in cash of the Bank shall be chargeable to the person with whom they occur.

Overdrawers to be reported.

Overdrawers to have no discounts.

Clerks to make known overdrafts.

Deficiencies in cash.

ART. 7. Every person who opens an account and transacts business with the Bank, shall subscribe his name in a book to be called the Book of Signatures, to be kept in the Bank for that purpose; and the President or Cashier may also require, at his discretion, from any house or firm doing business with the Bank, and consisting of more than one person, a declaration of the names and surnames, and places of residence, of the persons who compose such firm; and that each person belonging to such firm, shall subscribe in the book of signatures, and insert therein the names of his partner or partners. And the President and Cashier shall be authorized to close such accounts as they may deem necessary for the safety and convenience of the Bank, and shall report their proceedings and reasons therefor to the board at the next meeting, which shall be subject to the decision of the board.

Book of signatures.

Signatures of members of firms.

How accounts may be closed.

ART. 8. The Bank shall receive all specie coin according to the rates and value established by Congress; and no gold, silver, or copper coin, other than such as is, or shall be, authorized by the laws of the United States, shall be receivable as money at the Bank. And all payments made at the Bank shall be examined at the time, and if any error be then found, it shall be immediately corrected; but no error suggested afterwards shall be admitted, unless such error shall be apparent from the cash settlement of the day.

Legal coins only to be received.

ART. 9. The books and accounts of the Bank shall be kept in dollars and cents, and shall be regularly balanced on the first Monday in July and January. The accounts of the Bank with other institutions shall be adjusted, and balances confirmed, as often as once in every three months; and each book-keeper shall constantly keep every account in his leger, so pencilled up as to exhibit the balance of each at the first inspection.

Books, when to be balanced.

Accounts with other banks to be balanced.

ART. 10. The President and Directors shall cause the Cashier to make quarterly, on the first day of January, April, July, and October, a complete memorandum, in alphabetical order, of all the debts due the Brauch, setting out the amount due by each individual, with the names of the endorsers, and a note of the other security, the date of the notes or bills, and when payable;

Quarterly lists of debts due required of Cashiers.

one copy of which shall be retained at the branch, another copy shall be transmitted to the principal Bank; and these memorandums shall, at all times, be open to the examination of the President and Directors of the principal Bank and branches. It shall be the duty of the President and Directors, as often as once in every month, to cause a strict examination to be made of the accounts of the Cashier, and a full and complete statement to be made and entered on the journal of the proceedings of the board.

ART. 11. Without the special authority of the board, no Director except the President, shall be permitted to inspect the running or cash account of any person with the Bank; and no Director is permitted to divulge any of the confidential measures of the Bank, provided they are not in opposition to the charter; and as the interest of the Bank requires the free and unreserved interchange of opinion of the Directors, more particularly in the operation of discounts, no member is permitted to reveal the opinion or vote given on any matters relating thereto.

ART. 12. In every election to an office (except that of President) by the board, there shall be a nomination of the candidates, how to be conducted. date at a previous meeting; and a majority of the votes of all the Directors present shall be necessary to render an election valid. In elections the ballots shall be first taken for all the candidates, and if upon examination, no one shall have a majority of the votes of all the Directors present, then the three candidates having the highest number shall be voted for again, and in case no one shall then appear to be duly elected, the ballots shall be taken on the two highest.

ART. 13. Before entering upon the duties of office, the Cashier and each Clerk in the Bank, shall give bond with two or more sureties, to be approved by the Board of Directors, for his good behaviour and the faithful discharge of his duties, and trust reposed in him, in the following sums, that is to say: The Cashier in the sum of twenty-five thousand dollars; each of the Clerks in the sum of five thousand dollars. The President, Directors, Cashier, and other officers of the Bank, previous to entering on the discharge of their duties, shall take an oath before some justice of the peace of this State, faithfully, honestly and to the best of their skill and judgment, to discharge all the duties of their respective offices and stations under the charter of this Bank, or which may be required of them by the by-laws, rules and regulations of the corporation; and that they will not, during their continuance in office, sanction or permit any of the provisions of said charter to be violated; and should any such violation take place, without their concurrence, that they will immediately communicate the same to the Attorney General of this Commonwealth.

ART. 14. The President shall retain and exercise all the rights and privileges which belong to any Director. He shall

Monthly examination of accounts of Cashiers.

President only to examine running or cash accounts.

Proceedings confidential.

Election of officers, how to be conducted.

Officers to give bonds.

Form of oath to be taken.

be, *ex officio*, a member of every committee, except in special cases, where it shall be ordered otherwise by the Board. He shall preside and keep order at all meetings of the Board. It shall also be his duty to exercise a supervision over all the concerns of the Branch—to superintend the official conduct and duties of all persons employed in it—and to call special meetings of the Directors whenever, in his opinion, such meetings may be required by the interest of the Bank; and it shall be his duty to call a meeting when requested by two members to do so.

Powers and
duties of the
President.

ART. 15. It shall be the duty of the Cashier to superintend the opening and keeping of the ledgers, and all the other books used in the Bank, and carefully to observe the conduct of all officers employed under him, and to report to the President or to the Board, such instances of neglect, absence, incapacity or bad conduct, as shall come to his knowledge, in any of them—daily to examine the settlement of the cash account of the Bank—to take charge of the cash, and whenever the actual amount disagrees with the balance of the cash account, report the same to the President and Directors without delay—to attend all meetings of the Board, keep a fair and regular record of its proceedings—give such information to the Board as may be required—consult with committees, when requested, on subjects referred by the Board; and also, to perform such other services as may be required of him by the Board or the President.

Duties of the
Cashier.

ART. 16. All officers or persons chosen or appointed by the Board of Directors, shall hold their offices and employments during the pleasure of the Board; their salaries shall be fixed by resolution of the Board. The Cashier shall lay before every Board of Directors, on their entering into office, a list of the officers and persons employed in the Bank, with their salaries, the names of their securities, and the amount for which they are bound; and it shall be the duty of the Board of Directors to take order on said list of officers, as to their fitness and other qualities, and the sufficiency of their securities.

How officers
are appointed;
tenure of office;
salaries; list of
officers to be
made by Cashier.

ART. 17. Every Clerk or person in the employ of the Bank shall give his attendance and labor in the Bank as long as his service may be required by his regular business, or by the Cashier, the President, or the Board; and all cases of neglect or refusal shall be reported to the Board. Any application for leave of absence, by a Clerk or person in the employ of the Bank, shall be made to the President and Cashier, who shall grant or refuse the same as they may deem expedient. And neither the Cashier, nor a Clerk, nor a Porter, shall carry on any other business than that of the Bank, nor engage in any employment which can withdraw his attention from his duties in the Bank; and no Clerk or Porter shall have an account in the Bank, but may receive his salary from the Cashier at the end of each month.

Attendance of
officers.

Leave of ab-
sence.

Officers not to
engage in other
business.

Deliberate Proceedings of the Board of Directors.

ART. 18. The Directors shall assemble at the Bank on every ^{Meetings of} discount day, for the purpose of discount, and doing any other business, unless those days or either of them shall fall on any of the Board. ^{the} ^{Exception.} the days excepted in the first article.

ART. 19. When the President takes the chair, the members shall take their seats, and give their attention to the business before the Board. The Cashier shall lay before the Board the state of the Bank, the amount of the income, and of the notes and bills offered for discount, and the overdrafts, or attempts to overdraw, since the last discount day—as also, the correspondence of the Bank. All notes or bills offered for discount shall then be considered by the Board, and decided on. The minutes of the preceding meeting shall then be read, if any member shall so require, but no debate shall be admitted, nor question taken, on the business of such preceding meeting, except as to errors or inaccuracies in the minutes.

ART. 20. The President shall be the judge of order, and his decision shall be immediately submitted to, unless two members require an appeal to the Board, in which case the Board shall either sustain or over-rule the decision of the President. If a transgressing member is called to order by the President, he shall immediately take his seat, and shall not proceed, unless it may be to explain himself, or to apologise, or to appeal to the President to Board. The President shall name all committees, unless in special cases, when the Board shall otherwise determine.

ART. 21. Every member presenting a paper to the Chair shall first state its general purport, and the Board shall decide whether or not it shall be received. Every member who shall make a motion or offer a resolution or speak on any subject under discussion shall rise and address the President; but no debate shall be entered into on any motion or resolution until it shall have been seconded and stated or read from the chair. All motions shall, if requested by the President, or by two members, be reduced to writing; and all resolutions and reports from Committees shall be made in writing, if required. No member shall speak more than twice upon any one question, without leave from the Board.

ART. 22. While a resolution is under consideration no motion shall be made, except to amend, divide, commit, or postpone it. But it shall be in order at any time, on the call of three members, to take the previous question, which shall be, “shall the main question be now put?” and if it shall be decided in the affirmative, the debate shall cease, and the main question be immediately put, and decided. A motion to adjourn shall always be in order, but shall be decided without debate.

ART. 23. A member may call for the division of a question, or resolution, where the sense will admit of it, but no amendment

Previous ques-
tion.

Adjournment.

Division of
questions.

which tends to destroy the general sense of the clause of a resolution shall be admitted.

ART. 24. If business of different kinds shall be called for at the same time, by different members, the Board will judge and give preference accordingly.

ART. 25. After a motion or resolution has been made, seconded, stated, or read by the President and admitted for consideration by the Board, it shall not be withdrawn by the mover without the consent of the Board, and the names of the members who propose and second a resolution or motion shall be entered on the minutes. The yeas and nays shall be taken on any question if called for by two members previous to the decision on such question; but no motion for reconsideration shall be permitted, unless made and seconded by members who voted with the majority on the original question.

ART. 26. All resolutions entered in the minute book without the yeas and nays, being specially voted, shall be considered as passed by the unanimous vote of all the Directors present at said meeting; nor shall any member at any future period be permitted to plead that he did not give his assent to the same.

ART. 27. It shall be the duty of any Director, interested in any important question before the Board, to withdraw while the same is under discussion, and until it shall be decided upon.

ART. 28. No rule of the Board shall at any time be dispensed with, unless in doing it three-fourths of the members concur; and no alteration or repeal of any of the preceding by-laws or rules shall be made, unless upon a motion made for that purpose, and referred to the consideration of a subsequent meeting, and finally adopted by a majority of the whole number of Directors.

ART. 29. No vote shall be reconsidered by a less number than were present when the vote was given.

ART. 30. Exchange Committee to consist of the President and Cashier, and any two of the Directors. An appeal may be had from their decision to the Board at their regular meetings; *Provided*, any Director shall at all times be considered a member of the Exchange Committee.

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